

**DEPARTMENT OF FINANCIAL INSTITUTIONS**  
**MINUTES OF MEETING**  
**DECEMBER 8, 1994, 9:00 AM EST**

The Members of the Department of Financial Institutions met at 9:00 a.m., EST, at 402 West Washington Street, Room W-066, Indianapolis, Indiana, on Thursday, December 8, 1994. Members present were Messrs. Mark Hasten, Chairman, presiding, W. Paul Wolf, Vice Chairman, Tony Zaleski, R. Douglas Grant, Norman Lowery, and Daniel Leitch. Also present from the Department were Charles W. Phillips, Director; Kirk J. Schreiber, Bank Analyst; Eric Roberts, Bank Analyst; Randall L. Rowe, Bank Supervisor; James M. Cooper, Deputy Director, Depository Institutions; J. Philip Goddard, Deputy Director, Non-Depository Institutions; Charles T. Stumpf, Deputy Director, Administrative Division; Mark K. Powell, Supervisor, Credit Unions; and Janice L. Davis, Administrative Assistant. Mrs. Dee Godme was absent.

**I. EXECUTIVE SESSION**

- A.) A review of the examination information on Gateway Bank, LaGrange, LaGrange County, Indiana.

This information is confidential as provided in IC 28-1-2-30. This aspect of the Executive Session is authorized by IC 5-14-1-5.6(a)(6).

**II. PUBLIC SESSION**

- A.) Attendance
- B.) Date of next meeting: January 12, at 9:00 a.m. EST.
- C.) Approval of the minutes of the meeting held December 8, 1994. A motion for approval of the minutes was made by Mr. Wolf and seconded by Mr. Lowery. The minutes were unanimously approved.

**DIVISION OF BANKS AND TRUST COMPANIES**

**1) Anderson Community Bank, Anderson, Madison County, Indiana**

This application was presented by Mr. Eric D. Roberts, Senior Bank Analyst. Robert J. Pensec, as incorporator, has applied to the Members of the Department for approval to form a state chartered bank to be known as Anderson Community Bank, Anderson, Madison County, Indiana (the "Bank") pursuant to IC 28-11-5.

Mr. Roberts reported the following information to the Members:

The Bank is being organized by a group of ten Madison County residents all of whom will constitute the initial Board of Directors of the Bank upon its organization. The motivating force for organizing the Bank stems from the organizers desire to better serve the needs of their community through an independently owned and operated financial institution. Two commercial banks previously headquartered in Anderson have been acquired by large bank holding companies and were subsequently converted into branch offices of Indianapolis banks. Madison County currently has only two commercial banks that are headquartered in the county, one located in Pendleton and one in Anderson. All other banks and savings associations operating in the county are out-of-county institutions or are owned by out-of-state holding companies.

Also on the agenda, is an application filed by KeyCorp, Cleveland, Cuyahoga County, Ohio to acquire 100% control of First Citizens Bancorp of Indiana, Inc., Anderson, Madison County, Indiana and thereby acquire its wholly-owned subsidiary, Citizens Banking Company, Anderson, Madison County, Indiana. Upon consummation of the transaction, Citizens Banking Company will be merged into Society National Bank, Indiana, South Bend, St. Joseph County, Indiana.

As a result of this transaction, Anderson Community Bank will be the only independently owned and operated financial institution in Anderson, Indiana.

### THE OFFERING

The Bank is authorized by its proposed Articles of Incorporation to issue an aggregate of 2,000,000 shares of common stock, \$1.00 par value per share. No other class of capital stock will be authorized.

The Bank is offering a minimum of 525,000 and a maximum of 650,000 shares of common stock. The subscription price for the shares is \$10.00 per share. The minimum purchase in the offering is 1,000 shares and the maximum purchase allowed is 9.9999% of the total shares sold in the offering, which would be 64,999 shares if the maximum 650,000 shares are sold and 52,499 shares if the minimum 525,000 shares are sold.

As of November 22, 1994, the Bank has received outside subscriptions totalling 195,776 shares or \$1.2 million. The organizers plus Michael A. Stephens have subscribed to purchase a total of 221,500 shares or \$2.2 million, which, after reduction for the maximum purchase limitation, would constitute approximately 42% of the total shares sold if the minimum 525,000 shares are sold and 34% if the maximum 650,000 shares are sold.

The Bank has engaged the services of Raffensperger, Hughes & Co., Indianapolis, Indiana, to assist in the sale of between 150,000 and 200,000 shares of common stock.

### BUSINESS PLAN OVERVIEW

The business plan of the Bank is based on becoming a strong, full-service, locally-owned bank providing superior service to its customers. The Bank has identified three categories of potential customers upon which the Bank initially intends to focus its marketing efforts. Those three categories are small business owners, professionals and corporate executives, and not-for-profit corporations and associations. Management believes that the targeted customer groups will be particularly receptive and supportive of the Bank's philosophy of providing personalized and prompt service through local ownership and management.

### BANK PREMISES

The Bank intends to conduct its operations from an office located at 109 West 10th Street in Anderson, Indiana. The Bank has executed a lease at that location for space for the Bank's executives offices and for its retail operations. The leased space contains approximately 3,800 square feet located on the first floor. The cost of preparing such space for occupancy by the Bank is estimated to total approximately \$100 thousand. The Bank's lease is for a term of two years with two 2-year renewal options.

The maximum total investment in fixed assets disclosed in the projections during the first three years of operations will be \$290 thousand at the end of the second full year of operation. Total equity capital is projected to be \$5.8 million at that same time. Fixed assets will represent only 4.98% of equity capital at the end of the second year of operations.

Although there are no specific plans for branching, the projections include branch openings during the third and fifth years of operations. It is indicated that any branch would be a leased facility and equipment investment would be kept to a minimum. Based on the projections, there is no indication of a possible conflict with IC 28-1-11-5 which places a limit of 50% of a bank's sound capital that may be invested in real estate and buildings for the convenient transaction of business.

### STOCK PLANS

Management anticipates that the Bank will adopt an employee stock option plan, a non-qualified stock option plan, and a stock award plan.

## FIDELITY COVERAGE

Kansas Bankers Surety Company, Topeka, Kansas, will provide the fidelity coverage for the Bank. The blanket bond coverage is \$450 thousand and excess dishonesty is \$1 million.

## MANAGEMENT AND EMPLOYEES

The Bank intends to commence operations with a staff of approximately eleven full-time employees. Michael L. Baker will be the Bank's President and Chief Executive Officer. Mr. Baker has eleven years of banking experience, having spent eight and one-half years with Anderson Banking Company, now National City Bank, in various capacities ranging from Branch Officer to Assistant Vice President and Commercial Loan Officer. He spent two years with First Merchants Bank, NA of Muncie, Indiana, as a Vice President and Commercial Lender and six months as a Vice President in charge of Commercial Lending for the Anderson office of First of America Bank-Indiana, Indianapolis.

Michael A. Stephens, a certified public accountant, will be Vice President and the Bank's Cashier. Mr. Stephens held various positions with Anderson Banking Company from 1984 through 1993, including the offices of Cashier, Operations Manager and Compliance Officer. Two additional Vice Presidents will, along with Mr. Baker and a loan officer, handle the Bank's lending business and oversee the deposit-gathering and operations of the Bank. In addition, John Weber, former controller of the Anderson Banking Company, has agreed to act as a consultant in the areas of financial controls, security, and premises.

## OTHER MANAGEMENT FACTORS

There is broad business experience and strong banking backgrounds in the proposed Board of Directors. Mr. Ault, proposed Chairman of the Bank's Board of Directors, is a retired executive of General Motors Corporation. He spent forty years in various divisions of that company and in various engineering and management positions, including General Manager of the Delco Remy Division in Anderson. For the first year of the Bank's operations, Mr. Ault intends to spend a considerable amount of time, on a daily basis, in the main office offering his business knowledge and experience.

Several of the individuals have been members of the Board of Directors of local financial institutions. Dr. Falls is a former director of Anderson Banking Company, having served in that capacity for twenty-five years; Mr. Hardacre served as an advisory director of First of America Bank-Indiana for two years; Mr. Jenness, proposed Vice Chairman of the Bank's Board of Directors, was with Indiana National Bank as a Branch Manager for two years, and was with the Anderson Banking Company, now National City Bank, from 1979 through 1993, rising to the position of Senior Vice President in charge of Commercial Lending for the bank; and Mr. Pensac is a former director of Anderson Banking Company, having served in that capacity for sixteen years.

The proponents are predominantly successful business people from the Anderson, Indiana area and are believed to possess the contacts and influence within the community to help the Bank be successful.

THE CHARACTER, QUALIFICATIONS, AND EXPERIENCE OF THE OFFICERS AND DIRECTORS OF THE PROPOSED BANK IS CONSIDERED ACCEPTABLE.

## FUTURE EARNINGS PROSPECTS

The input data for the financial projections were prepared by Michael L. Baker, proposed President and CEO of the Bank, and then provided to Crowe, Chizek and Company, Indianapolis, Indiana. The accounting firm took the input assumptions and compiled a projected balance sheet and related projected statements of income and shareholder's equity and cash flows of the Bank. The projections are based on various assumptions, but the one of major significance is that the organizers will be able to raise \$6.5 million in equity. The budget and assumptions as presented in the application are considered reasonable.

The projections assume that the banking operations will be conducted out of a main office with new branches opening in Year 3 and Year 5. The Bank will primarily offer commercial, consumer, and real estate mortgage loans, checking, money market accounts and certificates of deposit to middle market commercial enterprises, and their related interests, directors, officers and employees and residents within Madison County. The investment portfolio is conservative reflecting only U.S. Treasury and Agency Securities.

No dividends are assumed to be paid before the end of Year 5. Furthermore, the projection does not anticipate any required additional equity securities to be issued in the first five years of operation. Stock issuance costs of \$190 thousand were netted from the projected proceeds of the common stock offering. The projections reflect that the Bank will become profitable by Year 2 with a return on assets of 0.04%. By Year 5 return on assets is projected to be 0.49%. Total assets for Year 2 is projected to be \$24,839M and total assets for Year 5 is projected to be \$48,226M.

THE FUTURE EARNINGS PROSPECTS FOR THE BANK APPEAR REASONABLE.

#### CAPITAL STRUCTURE ADEQUACY

The Federal Deposit Insurance Corporation Statement of Policy, Applications for Deposit Insurance, states that the basic benchmark for evaluating the adequacy of the capital structure of a new depository institution is that it should have an initial capitalization sufficient to provide a ratio of Tier I capital to total estimated assets of at least 8.0% at the end of the third year of operation. The adequacy of the capital structure is closely related to an institution's deposit volume, fixed asset investment and anticipated future growth in liabilities.

At the end of the third year of operation, the Bank is projected to have a Tier I Capital ratio of approximately 18% which well exceeds the minimum required. The Tier I Capital ratio is projected to be approximately 13% by Year 5.

The adequacy of the capital structure directly relates to the Bank's ability to control deposit growth. The projections for deposits were made by Michael L. Baker, proposed President and CEO of the Bank. The two major sources of data to estimate the base of deposits in Madison County and in Anderson are One Source CD Branches and Sheshunoff. Madison County and Anderson estimated deposits are based on the three-year compound growth rate for the periods June 30, 1990, through June 30, 1993 (Madison County: 1.03% and Anderson: 1.77%). The deposit projections and market share percentages for both Madison County and Anderson are considered reasonable.

The Bank's deposit market share in Madison County is estimated to be 0.84% in Year 1 and increase to 3.05% in Year 5. In addition, the Bank's deposit market share in Anderson is estimated to be 1.17% in Year 1 and increase to 4.13% in Year 5.

THE PROPOSED CAPITAL OF THE BANK IS CONSIDERED ADEQUATE.

#### CONVENIENCE AND NEEDS OF COMMUNITY

##### Market Area

The primary trade area will be Madison County, but it is expected that the greatest share of business of the Bank will come from Anderson, Indiana, which is the county seat. Anderson is an industrial city heavily dependent on the domestic automobile industry, more specifically, General Motors Corporation.

The economic condition of the Bank's trade area can be described as stable-to-growing. In addition to improving economic conditions from the support of the domestic automobile industry, parimutuel horse racing and the southern Madison County area acting as a bedroom community for the greater Indianapolis area are two other factors expanding the local economy. The trade area is generally located at the intersection of State Roads 9 and 32. Interstate 69 provides easy access to Indianapolis, approximately 30 miles to the south.

## Competition

The application points out that the Bank will provide an alternative to existing banking services.

The application notes that the largest commercial banking institutions in the trade area are owned by out-of-territory bank holding companies. Once the sale of Citizens Banking Company to KeyCorp, Cleveland, Ohio is consummated, then the proposed bank will be the only locally-owned and managed commercial bank in Anderson. The organizers believe that due to bank consolidation, the area has lost certain aspects of banking normally associated with community owned banks. In addition to the commercial banks listed, there are six credit unions, eight finance companies, three mortgage companies and a farm credit services located in Anderson.

IT APPEARS THAT THE COMMUNITY CAN SUPPORT THE PROPOSED BANK AND THAT THE CONVENIENCE AND NEEDS OF THE COMMUNITY WILL ADEQUATELY BE SERVED.

## DIRECTORS AND OFFICERS

All of the individuals noted, except Michael A. Stephens, are organizers and will be Directors of the Bank. James F. Ault will be the Chairman of the Board of Directors and Jeffrey A. Jenness will be the Vice-Chairman. Michael L. Baker will be the President and Chief Executive Officer, and Michael A. Stephens will be a Vice President, Cashier, and Controller of the bank. The other organizers that will be members of the board are R. Glenn Falls, DBA, William H. Hardacre, C. David Kleinhenn, CPA, Robert J. Pensec, Eric R. Retrum, MD, R. Kurt Retrum, MD, and Leland Symonds.

THE FINANCIAL STANDING AND CHARACTER OF THE INCORPORATOR, ORGANIZERS, AND DIRECTORS OF THE PROPOSED BANK IS CONSIDERED ACCEPTABLE.

## SUMMARY

The applicant has submitted for approval the Articles of Incorporation of Anderson Community Bank, Anderson, Madison County, Indiana to the Department as required by IC 28-11-5-2. With respect to IC 28-11-5-4, the following is a summary of the investigation of Anderson Community Bank:

1. The financial standing and character of the incorporator, organizers, and directors is considered acceptable.
2. The character, qualifications, and experience of the officers and directors of the proposed bank is considered acceptable.
3. The convenience and needs of the community will be served by the proposed bank to be established.
4. The future earnings prospects for the proposed bank appears to be reasonable in the community in which the bank is to be established.
5. The proposed capital of the bank is considered adequate.

Based on the findings, it is recommended that the formation of a state chartered commercial bank to be known as Anderson Community Bank be approved on the condition that the minimum initial capitalization of the new bank is \$5 million after organizational expenses.

During general discussion with the organizers of the new bank present at the meeting, the Members of the Department were informed that it is the intention of the organizers to sell the maximum number of shares in the offering which would result in an initial capitalization of approximately \$6 million after organizational expenses.

A motion for approval of the application was made by Mr. Grant and seconded by Mr. Lowery. The application was unanimously approved.

2) Central National Bank of Howard County, Russiaville, Howard County, Indiana

This application was presented by Mr. Eric D. Roberts, Senior Bank Analyst. Central National Bank of Howard County ("Central") has applied to the Members of the Department for approval of a Plan of Charter Conversion pursuant to provisions of IC 28-3-2-1. Central is a commercial bank which is chartered and primarily regulated by the Comptroller of the Currency ("OCC"). The name of the state chartered bank will be "Central Bank". As of June 30, 1994, Central had total assets of \$33.9 million and total equity capital of \$2.4 million.

Central has applied to the Federal Reserve Bank for membership. As a state member bank, Central will be regulated by the Department and the Federal Reserve Bank of Chicago. The OCC will discontinue its regulatory authority over Central upon conversion.

A full scope examination of Central was conducted by the Department's Assistant Regional Field Supervisor, Mark T. Gray as of close of business September 16, 1994. The overall condition of the bank was considered satisfactory; however, two inter-related areas of concern were noted. The two areas of concern are: declining bank earnings and the composition of the investment portfolio which exposes the bank to significant interest rate risk in the current rising interest rate environment.

The bank's three-year average return on assets is 0.89%. Historic ROAs have been above peer levels primarily because of significant gains realized from the sale of securities.

Department staff requested that the bank's Board of Directors address the areas of concern and prepare a plan to improve the bank's earnings. A response was submitted. The response stated that management and the Board of Directors were very much aware of the rapid increase in interest rates since January of this year. Management's strategy has been to offset the declining net interest margin caused by rising interest rates by shortening the maturity of the bond portfolio. In addition, 1994 and 1995 budgets were submitted which appear reasonable. The 1995 budget projects a net income of \$203 thousand for an estimated ROA of 0.60%. Central's level of capital is considered adequate. The Tier 1 leverage capital ratio as of June 30, 1994, is 7.23%.

President Donald B. Smith owns 27,923 shares or 55.84% of the bank's outstanding shares of common stock. The other five members of the Board of Directors own a total of 7,731 shares or 15.47% of the outstanding shares of common stock.

Central's current investment in land and building complies with the limitations set forth in IC 28-1-11-5. Total investment in fixed assets as of June 30, 1994, represents 16.39% of total capital.

IC 28-3-2-1 provides for the approval of the conversion of a national banking association into a state chartered institution if the resulting bank "...meets the standards as to location, condition of assets, capital structure, and quality of management required of banks and trust companies..." as determined by the Department. Central meets these standards provided for in IC 28-3-2-1.

A motion for approval of the application was made by Mr. Wolf and seconded by Mr. Zaleski. The application was unanimously approved.

3) Union State Bank, Windfall, Tipton County, Indiana

This application was presented by Mr. Eric D. Roberts, Senior Bank Analyst. Union State Bank ("Union") and First Farmers National Bank, Converse, Miami County, Indiana ("Farmers") propose to effect a merger pursuant to IC 28-1-7 with Union surviving the merger. IC 28-3-2 authorizes a state bank and a national association to merge. The name of the resulting institution will be First Farmers Bank and Trust Co. and will operate under the Articles of Incorporation of Union.

The main office of Union will be relocated to 123 N. Jefferson Street, Converse, Indiana. The former main office of Union and existing branches of Farmers will become branches of the surviving bank. Union and Farmers are wholly-owned subsidiaries of First Farmers Financial Corporation, Converse, Indiana ("First").

The proposed structure of the transaction is outlined in the Merger Agreement. All of the shares of Farmers' common stock outstanding immediately prior to the effective time of the merger will be extinguished and all shares of capital stock of any class of Union outstanding immediately prior to the effective time will remain outstanding after the effective time. All issued and outstanding shares of the resulting bank, which will total 16,940 shares of \$100.00 par value common stock, will be owned by First.

The resulting bank's investment in real estate and buildings for the convenient transaction of its business will be within the limitations set forth in IC 28-1-11-5. As of June 30, 1994, on a proforma basis, investment in land, building, and leasehold improvements represents 30.34% of sound capital.

On a proforma basis, as of June 30, 1994, the resulting bank has total assets of \$115,819M, total deposits of \$97,745M, and total equity capital of \$10,877M. The resulting bank will have an adequate Tier 1 leverage capital ratio of 9.55%. The three-year average return on assets for Union and Farmers are 1.14% and 0.97%, respectively. As of June 30, 1994, the ROAs for Union and Farmers are 1.65% and 1.33%, respectively.

All of the officers of Farmers will remain in their present capacity as a result of the proposed transaction. Robert M. Larrison, President and CEO of Farmers will remain in that capacity. Larry D. Yundt, currently President and CEO of Union, will become Senior Vice President.

Both Union and Farmers received satisfactory CAMEL ratings as a result of their most recent examinations conducted by the DFI and OCC, respectively. A full scope examination of Farmers was conducted by the Department's Assistant Regional Field Supervisor, J. Deron Thompson as of the close of business October 28, 1994. A bank holding company inspection was performed by the Federal Reserve Bank of Chicago on June 30, 1991.

The staff recommends approval of the merger. A motion for approval of the application was made by Mr. Grant and seconded by Mr. Lowery. The application was unanimously approved.

4) KeyCorp, Cleveland, Cuyahoga County, Indiana

This application was presented by Mr. Kirk J. Schreiber, Bank Analyst. KeyCorp, a Ohio bank holding company, applied to the Members of the Department, pursuant to IC 28-2-16, for approval to acquire 100% control of First Citizens Bancorp of Indiana, Inc. (First Citizens), Anderson, Madison County, Indiana, and thereby acquire its wholly-owned subsidiary Citizens Banking Company, Anderson, Madison County, Indiana. Upon consummation, the identity and existence of First Citizens shall cease and be assumed by KeyCorp. Citizens Banking Company will be merged into Society National Bank, Indiana, South Bend, Indiana on or about March 16, 1995.

The merger agreement provides that each of the 1,372,144 shares of First Citizens common stock will be converted and exchanged for shares of KeyCorp common stock. As of November 22, 1994, the market value of KeyCorp common stock was \$24.37 per share. The price to be paid for First Citizens common stock will be \$47,780,021.25, which represents a price premium of 1.995 of book value.

In the opinion of the Department staff, statutory requirements of IC 28-2-16-17(e) have all been satisfactorily met. A motion for approval of the application was made by Mr. Lowery and seconded by Mr. Leitch. The application was unanimously approved.

5) Peoples Trust & Savings Bank, Boonville, Warrick County, Indiana

Mr. Kirk J. Schreiber, Bank Analyst, presented the application to the Members. On November 4, 1994, the Department received an application for the change of control of Peoples Trust & Savings Bank, pursuant to IC 28-1-2-23. Mark Hart Hendrickson owned 85 shares of the 3,000 shares of common stock authorized and outstanding of Peoples Trust & Savings Bank prior to the death of his father Waldo Hendrickson. As a result of the inheritance, Mark Hart Hendrickson

acquired an additional 1,486 shares; thus, giving him 1,571 shares or 52.4% of the outstanding shares of Peoples Trust & Savings Bank. Mr. Hendrickson is the Chairman of the Board and President of Peoples Trust & Savings Bank. It is the staff's opinion that the applicant has satisfied that: 1) the individual is qualified by character and financial responsibility to control and operate the bank in a legal and proper manner; and 2) the interests of the stockholders, depositors, and creditors of the bank and the interests of the public generally, will not be jeopardized by the proposed change of control. A motion for approval was made by Mr. Wolf and seconded by Mr. Leitch. The motion was unanimously passed.

#### **DIRECTOR'S COMMENTS AND REQUESTS**

A.) **Citizens Bank of Jasper, Jasper, Dubois County, Indiana**

The bank notified the Department of their intent to form a subsidiary to be known as "Citizens Insurance, Inc." on October 24, 1994. The proposed subsidiary will be located in Evansville, Vanderburgh County, Indiana. The proposed subsidiary will be formed to engage in the sale of personal and commercial lines of property and casualty insurance. This item is for informational purposes only.

B.) The Director advised the Members of actions taken pursuant to delegated authority which were as follows:

#### **DIVISION OF BANKS AND TRUST COMPANIES**

1) **UNION BANK AND TRUST COMPANY OF INDIANA, GREENSBURG, DECATUR COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a full service branch banking office. The proposed branch will be located in an IGA Grocery Store at 736 West Main Street, Greensburg, Decatur County, Indiana. The branch will be known as the "Greensburg IGA Branch." The branch will be the bank's ninth branch. The request was approved by the Director under Delegated Authority on November 10, 1994.

2) **FIFTH THIRD BANK OF CENTRAL INDIANA, INDIANAPOLIS, MARION COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a branch de novo to be called "Brandywine Plaza Bankmart." The proposed branch will be located at 1571 N. State Street, Greenfield, Hancock County, Indiana, inside the Kroger Grocery Store. This will be the bank's twentieth branch. The request was approved by the Director under Delegated Authority on November 18, 1994.

3) **FARMERS STATE BANK, MENTONE, KOSCIUSKO COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a branch de novo to be called "Farmers State Bank-Syracuse Branch." The proposed branch will be located at 415 South Huntington Street, Syracuse, Kosciusko County, Indiana. This will be the bank's fifth branch. The request was approved by the Director under Delegated Authority on November 18, 1994.

4) **FARMERS STATE BANK, LIBERTY, UNION COUNTY, INDIANA**

The Bank has applied to the Department for approval to establish a branch de novo to be called "Glenwood Branch." The proposed branch will be located at 317 North Main Street, Glenwood, Rush/Fayette County, Indiana. This will be the bank's fifth branch. The request was approved by the Director under Delegated Authority on November 18, 1994.

5) **CNB BANCSHARES INC., EVANSVILLE, VANDERBURGH COUNTY, INDIANA**

An application has been filed for permission to establish an interim bank to be known as "Orleans Interim Bank." Orleans Interim Bank will be a wholly-owned subsidiary of CNB Bancshares Inc. The interim bank will be located at 20 N.W. Third Street, Evansville, Vanderburgh County, Indiana. The interim bank will never be operational and is being formed to facilitate the pending acquisition between CNB Bancshares, Inc., and The Bank Orleans, Orleans, Orange County,



Indiana. The request was approved by the Director under Delegated Authority on November 18, 1994.

### DIVISION OF CREDIT UNIONS

1) TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA

A request was made for approval of a Proposed Amendment To the Articles of Incorporation. This amendment would place the following organizations into the field of membership of the credit union:

Freedoms Way, Inc., dba\Mike's Guns - Greencastle - 4 members  
H.A. Parts Products of Indiana Co. - Greencastle - 425 members  
ADT Security Systems, Mid-South, Inc. - South Bend - 20 members  
Morris Manufacturing & Sales Corp. - Harmony - 50 members  
Hubcap City - Indianapolis - 9 members  
Indiana Jewelers Association - Carmel - 250 members  
Air Conditioning Contractors of America - Indianapolis - 165 members  
Indiana Dental Hygienists' Association - Indianapolis - 550 members  
Indiana Broadcasters Association - Carmel - 135 members  
Kamm's Island Inn - Mishawaka - 33 members  
The Old Homestead, Inc. - Clinton - 7 members  
Gordy's Sub Pub, Inc. - Warsaw - 35 members  
Aluminum Brick & Glass Workers International Union, Local 188A PAC - Wanatah - 150 members  
Real Property Evaluation, Inc. - Greenwood - 17 members

The request was approved by the Director under Delegated Authority on November 3, 1994.

2) DEKALB FINANCIAL CREDIT UNION, AUBURN, DEKALB COUNTY, INDIANA

A request was made for approval of a Proposed Amendment To the Articles of Incorporation. This amendment would place the following organizations into the field of membership of the credit union:

Kruse International - Auburn - 30 members

The request was approved by the Director under Delegated Authority on November 18, 1994.

3) TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA

A request was made for approval of a Proposed Amendment To the Articles of Incorporation. This amendment would place the following organizations into the field of membership of the credit union:

Michiana Builders Association - South Bend - 7,500 members  
Saint Joseph Valley Masonry Contractors - South Bend - 1,000 members  
Michiana Area Construction Industry Advancement Fund - South Bend - 200 members  
Technifab Products, Inc. - Brazil - 10 members  
Logicon, Inc. - Indianapolis - 30 members  
Eternal Life Assembly of God - New Whiteland - 51 members  
Gorny, Inc. d/b/a Joe's Liquor Store - South Bend - 5 members  
El Campito, Inc. - South Bend - 26 members  
Cornerstone Community Fellowship Church - Plymouth - 80 members  
Allman & Fitzgerald, P.C. - Indianapolis - 10 members  
Integrated Housekeeping Management, Inc. - Indianapolis - 23 members  
Meridian Nursing Center - Cardinal - South Bend - 265 members  
BET Plant Services, Inc. d/b/a Aggregate Equipment & Supply - Indianapolis - 61 members

WISCO, Inc. - Indianapolis - 5 members  
Coolman and Coolman, Inc. - Valparaiso - 12 members

The request was approved by the Director under Delegated Authority on November 30, 1994.

#### **DIVISION OF CONSUMER CREDIT**

- 1) A request for a consumer loan license was made by Mortgage Plus Incorporated of Greenwood Village, Colorado. They are obtaining the license to make second mortgage loans in Indiana using local title companies to close the loans. They currently operate in 37 states. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on November 9, 1994.
- 2) A request for a consumer loan license was made by Five Star Financial Services, Inc. of Schaumburg, Illinois. They are obtaining the license to make second mortgage loans in Indiana using local attorneys or title companies to close the loan. They are currently registered as a loan broker with the Securities Division of the Secretary of State's office. All references are in order. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on November 9, 1994.
- 3) A request for a consumer loan license was made by Midwest Financial Services, Inc. of Merrillville. There will be one branch location in Carmel. They are obtaining the license to make second mortgage loans. All references are in order. It is recommended that the license be issued. The request was approved by the Director under Delegated Authority on November 9, 1994.
- 4) A request for a pawnbroking license was made by Central Ohio Scrap Metal Company d/b/a Lev's Pawnshop of Fort Wayne. The applicant is currently operating eight pawnshops in Ohio. All references are in order. No objections were offered by local law enforcement. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on November 9, 1994.
- 5) A request for a pawnbroking license was made by Cash America, Inc. of Indiana d/b/a Cash America Pawn of Indianapolis #9. Cash America is the largest pawnshop operator in the world with over 226 stores in eight states. Cash America stock is traded on the NYSE. No objections were offered by local law enforcement. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on November 9, 1994.
- 6) A request for a check casher license was made by Carol McIntyre d/b/a Money Factory of Roseland. The applicant is currently licensed as a pawnbroker. They are obtaining the license to offer check cashing other than incidental to the retail sale. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on November 9, 1994.

**CERTIFICATION**

The Department certifies that the business discussed in the Executive Session was limited only to business which was set out in the Department's Notice of Meeting and Agenda under the heading Executive Session.

There being no further business to come before the Members, the meeting was adjourned.

APPROVED:

ATTEST:

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Mark Hasten, Chairman

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J. Philip Goddard, Secretary